

Internal Revenue Service

Department of the Treasury

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Washington, DC 20224

Person to Contact:

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(202) 622-4920

Refer Reply To:

CC:DOM:IT&A:2 – COR-119817-99

Date: March 28, 2000

Number: **INFO 2000-0020**

Release Date: 6/30/2000

Dear Mr. [REDACTED]:

You requested a ruling on the proper tax treatment of parking as a business expense in your letter of November 23, 1999. We did not receive either the fee for a private ruling nor the paperwork required for a ruling, so we enclose instructions for applying for a ruling. However, the following general information may help you.

A person in the trade or business of driving a commercial taxicab may deduct the ordinary and necessary expenses paid or incurred for leasing, operating, and maintaining the taxi, under § 162(a) of the Internal Revenue Code. This includes parking fees associated with the business use of the taxi. On the other hand, § 262(a) denies a deduction for personal, living, or family expenses.

You indicated you are uncertain how to treat the cost of parking the taxi at the motel. It appears from your letter that you pay no additional fee for parking the taxi there. Section 162(a) allows you to deduct a business expense only if you actually pay it.

I hope this information is helpful. If you have any questions, please call Mr. Sapienza at the number above (not a toll-free call).

Sincerely,

Deputy Assistant Chief Counsel
(Income Tax & Accounting)

By _____
George Baker
Assistant to Branch Chief, Branch 2

Enclosure